



**ARTICLE 4 AND EXHIBITS H, I, AND J OF THE AVENUE NYC/COMMERCIAL
REVITALIZATION CONTRACT**

SAMPLE

Last Updated: 8/5/2008

ARTICLE 4

INSURANCE

Section 4.01 Coverage Required

Throughout the Program Term, the Corporation shall maintain in full force and effect and at its sole expense, or cause to be maintained, insurance policies protecting the Corporation and the City against liability arising out of the premises and operations of the Corporation and the Corporation's agents, employees, consultants and contractors. The form, scope of coverage, deductibles, self-retentions and insurance company with respect to all required insurance policies shall be subject to the approval of the Commissioner. The substance of all insurance policies, including amounts of coverage, shall comply with any requirements of applicable law and shall in any event comply with or exceed the "Insurance Specifications for the Corporation's Direct Operations" annexed to the Agreement as Exhibit H, relative to the Corporation's direct operations and the "Insurance Specifications for the Corporation's Agreements with Third Parties" annexed to the Agreement as Exhibit I, relative to the operations of any consultants or other contractors hired by the Corporation. All insurance shall be written by responsible companies licensed to do business in New York State with an A.M. Best & Co. rating of no less than A:X and will identify the City of New York as an additional named insured.

Section 4.02 Evidence of Coverage

On or before the Commencement date of the Agreement, the Corporation shall deliver to the Commissioner: (1) a copy of each required insurance policy, which shall conform to the provisions of Section 4.01 of the Agreement, certified by an authorized officer of the insurance company; (2) a certificate of insurance issued by the insurance company conforming to the specifications in the "Form of Corporation Insurance Certificates" annexed to the Agreement as Exhibit J; and (3) proof of payment of premium in full for the current annual period. At least sixty (60) days prior to the expiration of any policy, the Corporation shall deliver to the Commissioner a confirmation of renewal or a new policy complying with the provisions of the Agreement. Without limiting the other remedies of the City, no Program Funds shall be due to the Corporation

under the Agreement unless the Commissioner shall have received the evidence of insurance required by this Section.

Section 4.03 Notice of Claim

The Corporation shall comply with the provisions of all insurance policies required by this Article 4 and shall give the insurance company and the City notice of any claim, accident or loss promptly upon acquiring knowledge of same.

Section 4.04 Policy Provisions

Each such policy of insurance obtained by the Corporation, its consultants or contractors pursuant to this Article shall contain the following provisions:

(a) Notices from the insurer to the City in connection with this policy shall be addressed to the: Director of Neighborhood Development, Department of Small Business Services, 110 William Street, 7th Floor, New York, New York 10038;

(b) the insurer shall accept notice of claim from the City within one hundred twenty (120) days after any such claim has been filed with the Comptroller as valid and timely notice under this policy;

(c) notice of accident or claim to the insurer by the City or the Corporation shall be deemed notice by each under this policy;

(d) this policy shall not be canceled, terminated or modified by the insurer unless sixty (60) days prior written notice is sent by registered mail to the Corporation and the City, nor shall this policy be canceled, terminated, or modified by the insurer without prior written consent by the City;

(e) the insurer shall waive any rights of subrogation it may have against the Corporation or the City; and

(f) the presence of engineers, inspectors or other employees of the City at the site of any work performed by the Corporation shall not invalidate this policy of insurance.

Section 4.05 Alternate Insurance Schedules

Notwithstanding any other provision of this Article 4, the Commissioner may vary any terms of the insurance or may promulgate alternate schedules for the Corporation or the Corporation's contractors,

subcontractors and consultants which vary the types and amounts of insurance otherwise required to be maintained by them pursuant to Exhibit H or I of the Agreement due to the nature of the work to be undertaken. Written notice of any such alteration to an insurance schedule shall be given by the Commissioner to the Corporation.

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EXHIBIT H

INSURANCE SPECIFICATIONS FOR THE CORPORATION'S

DIRECT OPERATIONS

1. Commercial General Liability Insurance covering all premises, operations, products and completed operations of Corporation written on an occurrence basis. Liability limits of \$1,000,000 combined single limit for bodily injury and property damage. Additional insured: The City of New York.

2. Business Automobile Liability Insurance covering every vehicle operated by the Corporation, whether or not owned by the Corporation, and every vehicle hired by the Corporation. (No insurance shall be required if no vehicles shall be either owned, hired or operated by the Corporation.) The Corporation must provide to the Commissioner a statement indicating whether or not any vehicles will be hired or be operated by the Corporation, whether or not such vehicles are owned by the Corporation; if any vehicles will be hired or be operated by the Corporation, the Corporation must also supply a list to the Commissioner of all such vehicles, including the license numbers of the vehicles, and must state in whose names such vehicles are registered. Each such vehicle must have the following insurance: liability limits of \$1,000,000 combined single limit for bodily injury and property damage.

The Corporation agrees further that no unlisted vehicle will be used by it in performing the Program, and that the Corporation will notify the Commissioner promptly of any changes to the above-noted list of vehicles, and will obtain the required insurance for such vehicle prior to operating it to perform the Program.

3. Workers' Compensation and Employers Liability Insurance covering the Corporation with Workers' compensation limits as required by the Labor Code of the State of New York and Employers Liability limits of \$1,000,000 per accident.

4. Fidelity Bond insuring the Corporation with respect to activities of all officers, employees and directors in the amount of the Program Budget

SAMPLE

EXHIBIT I

INSURANCE SPECIFICATIONS FOR THE CORPORATION'S

DIRECT OPERATIONS

1. Commercial General Liability Insurance covering all operations, products and completed operations undertaken for the Corporation or with respect to Construction Agreements, written on an occurrence basis. Liability limits of \$1,000,000 combined single limit for bodily injury and property damage for the Corporation's contractors, except such greater limits or coverages as the Commissioner may require in the specific case, depending on the nature of the activities undertaken. The above liability limit may be reduced by the Commissioner with respect to design or economic feasibility consultants, but not below \$1,000,000. Additional insureds: the Corporation, The City of New York. Named insured: the relevant consultant or contractor.

2. Business Automobile Liability Insurance covering all owned, non owned and hired vehicles operated by the relevant contractor or consultant who is hired by the Corporation. Liability limits of \$1,000,000 combined single limit for bodily injury and property damage.

3. Workers' Compensation and Employers Liability Insurance covering the Corporation with Workers' compensation limits as required by the Labor Code of the State of New York and Employers Liability limits of \$1,000,000 per accident.

4. For all consulting contracts made by the Corporation for engineering or architectural services or with an attorney or a certified public accountant, such consulting subcontracts shall include:

(a) Professional Liability or Errors and Omissions Insurance covering the consultant with liability limits of \$1,000,000. The consultant must agree to keep such insurance in force until the third anniversary of final payment to the consultant by the Corporation. Named Insured: the consultant.

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EXHIBIT J

INSURANCE SPECIFICATIONS FOR THE CORPORATION'S
AGREEMENTS WITH THIRD PARTIES

All insurance certificates shall conform to the following:

1. Certificate must be issued by the insurance company. "ACORD" form certificates issued by brokers are acceptable.
2. Certificate must unconditionally grant to the City and the Corporation sixty (60) days' notice of cancellation or non-renewal. "Endeavor" or other qualifying language is not acceptable.
3. All additional insureds required under Exhibits I or J shall be listed as such.
4. The authorized representative of the insurance company executing the certificate must indicate his/her title.
5. Original executed certificates must be delivered.